

**Health Professions Council
Council Meeting – 11th May 2006**

ANNUAL BUDGET 2006/07 UPDATE - PUBLIC PAPER

Executive Summary and Recommendations

1. Introduction

2. Decision

The Committee is asked to agree the following:

- That the proposed Annual Budget for 2006/07 covering the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and Capital Budget be approved.

3. Background information

The Annual Budget is compiled in January/February each year for the forthcoming financial year, commencing 1st April. This process is managed by the Management Accountant (Finance Department) and involves compiling “bottom up” budget submissions from HPC budget-centre managers, inclusive of their operations and project plans. It also involves detailed income modeling, based on renewal cycles and fees charged. Budget Centre managers include EMT members and some non EMT managers e.g. the Office Services Manager and Partner Manager.

Typically the Budget is compiled in three distinct iterations; Version One, Version Two and Version Three (the final version), with Version Three (V3) presented in late March to the Finance and Resources Committee for their formal approval.

Version One is typically completed in January and reviewed by the Chief Executive, including broad assumptions and linkage to the Five Year Plan.

Version Two is typically completed in late January, leaving approximately a month to re-work some of the assumptions, provide greater transparency in the comments, alter the timing of projects etc before presentation of Version Three to the Committee. Additional Budgets are also presented at Version Three for the Balance Sheet and Cash Flow Statement.

After Version Three approval by the Committee and Council, the approved annual budget is phased into its monthly components and loaded into the General Ledger (GL). Once loaded into the GL, the approved Budget is reported against actuals on a monthly basis, in the Management Accounts. This financial variance information then gets reported, at subsequent Council and Committee meetings.

Version Three was presented to the 22nd March Finance and Resources Committee for review and approval. A further amendment was requested by the Committee to the Budget, relating to increasing Council and Committee member fees (overall budget-bottom line neutral) from 1st April 2006 – refer Finance and Resources Committee minutes from the 22nd March meeting, Item 6.06/49, pt 6.6. This has now been done, mostly by re-allocating funds from the Communications budget to Council budget. The revised Budget (Version Four) is attached and was reviewed and approved by the Finance and Resources Committee at their 27th April meeting.

4. Resource implications

Nil

5. Financial implications

Nil

6. Background papers

See attached Version Four of the Budget 2006-07 for HPC as a whole. It includes a Key Assumptions page and several pages of notes.

7. Appendices

Nil

8. Date of paper

27th April 2006

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HEALTH PROFESSIONS COUNCIL

BUDGET 2006-7 VERSION 4

(Finance Committee 27th April 2006)

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**YEARLY FIGURES
DETAILED SUMMARY**

	Actual 2002/03	Actual 2003/04	Actual 2004/05	Latest Estimate 2005/06	Budget 2006/07	Cumulative Total
	£	£	£	£	£	
OPERATING SURPLUS / (DEFICIT) (excluding unrealised gains)	(893,681)	(1,271,396)	(329,510)	1,319,022	(303,120)	(1,478,685)
Investment Income & Valuation	(514,492)	254,941	273,479	376,156	174,357	564,441
Building Revaluation	0	452,000	0	0	0	452,000
SURPLUS / (DEFICIT)	(1,408,173)	(564,455)	(56,031)	1,695,178	(128,763)	(462,245)

Five Year Plan SURPLUS (DEFICIT)
(last updated Oct 2005)

25,000

Note

Individual year surpluses and deficits need to be viewed in the context of a longer run trend since both fee changes and project spending is variable across different years.

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Key Assumptions

- 1 Foster review outcome omitted
- 2 International scrutiny fees rise from £200 to £350 from 1st January 2007
(Paper to Finance Committee on 8th February 2006)
- 3 No income from Applied Psychologists in 2006/07
- 4 No Grandparenting income in 2006/07
- 5 Latest estimate of 2005/06 includes an accrual of £130k for Fraud and Audit related costs
- 6 Building work for 22-26 Stannary street includes £92k of non-capitalisable expenditure to be expensed through the Income and Expenditure account (P&L)
- 7 Building work for 22-26 Stannary street includes £1,000k of capitalisable expenditure
(The £1000k has been calculated by a quantity surveyor. The building work will be put out to tender early in the next financial year).
- 8 All expenditure in 2006/07 (including the building renovation of 22-26 Stannary St) will be funded by using existing HPC reserves (no loans anticipated)
- 9 Registrations Budget includes estimated project costs to merge the two Reg departments and relocate them to 22-26 Stannary St premises.
- 10 LISA project enhancements are to be capitalised and depreciated over 3 years as per the current HPC policy.
- 11 Tax costs to HPC for Council and Committee members (claiming direct from HPC) have been budgeted.
- 12 Council and Committee member allowances have been budgeted at £300 (from £260). No rise has been budgeted for Partner allowances
(Paper to Finance Committee on 27th April 2006)

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BUDGET 2006-7 VERSION 4

Notes **To be used in Conjunction with the budget summary 2006/07**

Income

- 1 Chiropractors income is budgeted to be 29% lower in 2006/07 due to no grandparenting income. This also has a knock on effect of reducing initial registration fees.
- 2 Clinical Scientists income is budgeted to be 21% lower in 2006/07 due to no grandparenting income.
- 3 The Department of Health Grant Released budget is 58% lower due to the end of the 3 year period in which the LISA (registration system) was being depreciated. The grant released matched the depreciation period.
- 4 Re-admission fees are budgeted to be 39% lower in 2006/07 due to fewer professions beginning their 2 year cycle. At the end of each 2 year cycle a number of registrants are removed from the register for non payment or non signing of a declaration.
- 5 International scrutiny fees are budgeted to be 61% higher in 2006/07. This is mostly due to an anticipated increase in fee from £200 to £350 on 1st January 2007. Also, with no grandparenting applications, more resources can be used to process international applications.
- 6 Bank interest earned on surplus cash is partly dependant on the timing of the building work to refurbish 22-26 Stannary Street. An average bank balance of £3.1M has been used, with a minimum of £1M assumed to be kept in the business reserve for operational cash requirements.

Expenses - Departments

- 7 Approvals and Annual Monitoring costs are budgeted to be higher, due to a full year of the annual monitoring and major/minor change process. Also a number of positions were recruited in 2005/06 which will have a full year salary impact in 2006/07.
- 8 Communication department costs are budgeted to be higher due to the holding of an annual conference event for all Partners which only occurs every 2 years.
- 9 The cost of Committees has been separated from the Secretariat budget. This will help to monitor trends as the cost for committees are not directly linked to the cost for the Secretariat function. This cost centre now includes all Committees and Professional Liaison Groups (PLG).
- 10 Human Resources department costs are budgeted to be higher due to holding Partner review days for all types of partner. Also a new position was recruited in 2005/06 which will have a full year salary impact in 2006/07.

HEALTH PROFESSIONS COUNCIL BUDGET 2006-7 VERSION 4

Notes **To be used in Conjunction with the budget summary 2006/07**

- 11 Information Technology department costs are budgeted to be lower due to a significant reduction in depreciation expense. This is due to the ending of the 3 year depreciation cycle of the LISA system.
- 12 The Office Services department includes some general property and office service costs for 22-26 Stannery St and some non capitalised expenditure for the proposed renovation (Surveyors costs etc).
- 13 The Policy and Standards department is a relatively new department. The increase in cost is some new positions and work on standards of proficiency and HPC Policies.
- 14 The Registration departments' increased budget is due to the need for some Business Process Re-engineering in the registration area as a whole. All processes will be reviewed with the aim to improve customer service and productivity.

Expenses - Overheads

- 15 Basic Pay costs are budgeted to increase for the reasons mentioned earlier. Namely, positions with a full year salary impact in 2006/07 and some new positions filled. Out of the £553k basic pay increase, £439k is due to new positions.
- 16 The National Insurance cost to HPC also includes a tax liability for members of the Council who claim directly from HPC (Category One's).
- 17 The current renewals team (solely processing the renewal forms) are all temporary contractors. A full year for these temporary employees has been included in the budget. Once the finer details of the proposed BPR project have been produced, some of these employees maybe become permanent members of staff, so some of this budget maybe re-allocated to the basic pay budget. Also an IT contractor has been budgeted to develop inhouse some key databases including an approvals and annual monitoring database.
- 18 In total, payroll costs are to increase by 31%. The 3 main reasons are an increase in new positions with the added cost of increased NI and pension contributions, an increase in temporary / contractor employees and the tax costs for Council and Committee members (allowances and travel & subsistence expenses).
- 19 The approvals and annual monitoring department are intending to increase the number of approvals and annual monitoring visits. Whilst the majority of the detailed work is carried out by the visitors (partners), a member of the department will also be in attendance. The number of visits attended by HPC employees are significantly higher than the current financial year, hence the increase in travel and subsistence cost for HPC.

HEALTH PROFESSIONS COUNCIL BUDGET 2006-7 VERSION 4

Notes **To be used in Conjunction with the budget summary 2006/07**

- 20 The level of attendance for Council members has been budgeted at 80%. This is higher than the current year, but as Council members could attend all meetings this seems quite prudent to allow for a higher figure. The approval panel is a relatively new panel which includes a full year of this panel in the budget. As mentioned in the key assumptions, Council and Committee allowances have been increased to £300.
- 21 The training budget for Council has been significantly increased for 2006/07. Areas included are inductions, media training, performance reviews, audit, chairman and HPO training.
- 22 Building renovation work will be carried out towards the second half of the financial year. However, currently there is a small team of employees working in the building, hence the increase in Property Service costs in general.
- 23 The building refurbishment cost relates to the non-capitalisable costs for 22-26 Stannery Street refurbishment (see Assumptions section). Some costs have also been included for some minor work to Park House (painting etc).
- 24 Printing and Stationery costs are budgeted to be lower in 2006/07. This is due to HPC renewing less Registrants than 2005/06 and consequently spending less on printing and sending out renewal forms. This reduction is offset by the printing of a CPD document for all registrants and the increased design and printing of policy documents.
- 25 Postage costs are budgeted to be higher in 2006/07. This is due to sending out CPD and Standard of Proficiency documents to all registrants which offsets the reduction on registration postage (renewals).
- 26 The increase in IT hardware over £1,000 is due to the purchase of small scanners for most departments to improve the storage life and retrieval time of documentation.
- 27 The increase in software license costs is due to the increase number of HPC employees (per user licenses).
- 28 The LISA registration system was depreciated over 3 years after development was completed. The 3 years come to an end at the end of August 2006. This will significantly reduce the depreciation charge to the IT department.
- 29 Increased advertising expenditure is budgeted for to increase public awareness under the following headings; Referers (regional/national), Radio advertising (regional), Registrant network (national), Secondary awareness locations (regional) as per HPC's communications strategy.
- 30 Increased brochure expenditure is required for a re-print of all standards of proficiency brochures for all professions and some new brochures in the area of fitness to practise.

HEALTH PROFESSIONS COUNCIL BUDGET 2006-7 VERSION 4

Notes **To be used in Conjunction with the budget summary 2006/07**

- 31 Stakeholder communications is a relatively new area and there was very limited expenditure in the current financial year. For 2006/07 there will be a "Fitness to practise versus fitness to purpose" event which will also require documentation to be produced after the event.
- 32 The increased website expenditure includes an improved search engine, upgrades to incorporate CPD and approvals, fitness to practise processes and upgrades to HPCs intranet.
- 33 The annual Partners conference costs include; venue hire, day delegate rates, accommodation, subsistence, partner travel and the cost of the production company.
- 34 The general events cost increase is due to the proposed hosting of a Launch event for disability guidance, plus smaller briefing events on specific issues.
- 35 Media relations is a relatively new cost area. The costs include a subscription to media disc, which are various contacts in the media industry. The majority of the expenditure is for agency support on possible issues that may arise as per the communications strategy.
- 36 The majority of partner roles are now filled. The majority of the recruitment cost is for the forthcoming Applied Psychologists joining the HPC register. All partner roles will be required for this new profession.
- 37 There a number of current visitors that require training. Also the budgeted costs include the training for the forthcoming Applied Psychologists partners.
- 38 Legal assessor allowances have been budgeted under panel costs for 2006/07.
- 39 The number of approval programs that are to be visited is budgeted to be higher than the current financial year.
- 40 Annual Monitoring and Major/Minor change are additional items of expenditure for 2006/07.
- 41 Increased auditor costs relate to additional expenditure required to hire Internal Auditors to assure the external auditors & Audit Committee about HPC levels of internal control.
- 42 Bank charges in the current financial year included the setting up of a loan to finance the purchase of 22-26 Stannery Street. Also, there is more banking of cheques, credit cards etc in the current financial year (linked to the renewal cycle), hence the 06/07 budgeted bank charges are lower than the latest 05/06 estimate.
- 43 Legal expenses are budgeted to increase in line with the increase in legal cases. Also HPC has budgeted for some legal expenses concerning CHRE.

HEALTH PROFESSIONS COUNCIL BUDGET 2006-7 VERSION 4

Notes **To be used in Conjunction with the budget summary 2006/07**

- 44 Other professional fees costs are lower due to the election scheme for 2006/07 not involving as many professions and the reduced need for audit work concerning fraud and internal control.
- 45 The pension administration cost in the current financial year included a number of years of unaccrued expenses. The budget reflects 1 year of cost.
- 46 The number of professional liaison groups is expected to be less in 2006/07.
- 47 Employee training costs are budgeted to increase and include the following areas; training and needs analysis, leadership, unfair dismissal, interviewing, media, mentoring, performance management etc

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BUDGET 2006-7 VERSION 4 DETAILED SUMMARY

	2005-06 Annual Budget £	2005-06 Latest Estimate (LE) £	2005-06 Variance £	2006-07 Annual Budget £	Increase over LE %	Note
INCOME						
Professions						
Applied Psychologists	0	0	0	0	0.00	
Arts Therapists	115,105	135,073	19,968	131,355	(2.75)	
Biomedical Scientists	1,304,935	1,391,969	87,034	1,379,633	(0.89)	
Chiroprodists	814,875	1,010,559	195,684	715,200	(29.23)	1
Clinical Scientists	257,396	324,033	66,637	257,439	(20.55)	2
Dietitians	402,225	368,893	(33,332)	400,469	8.56	
Orthoptists	70,894	80,683	9,789	77,061	(4.49)	
Occupational Therapists	1,612,151	1,685,315	73,164	1,725,678	2.39	
Operating Department Practitioners	439,662	468,105	28,443	483,408	3.27	
Paramedics	624,597	711,208	86,611	696,810	(2.02)	
Physiotherapists	2,520,695	2,567,613	46,918	2,735,691	6.55	
Prosthetists & Orthotists	46,393	52,884	6,491	54,314	2.70	
Radiographers	1,446,745	1,454,936	8,191	1,458,920	0.27	
Speech and Language Therapists	636,827	654,778	17,951	685,243	4.65	
Registration Income	10,292,500	10,906,049	613,549	10,801,221	(0.96)	
Department of Health Capital Grant Released	251,112	251,112	0	104,630	(58.33)	3
Rental Income	0	16,450	16,450	0	0.00	
TOTAL INCOME	10,543,612	11,157,161	613,549	10,905,851	(2.25)	

HEALTH PROFESSIONS COUNCIL

BUDGET 2006-7 VERSION 4 DETAILED SUMMARY

EXPENDITURE

Departments	2005-06 Annual Budget £	2005-06 Latest Estimate (LE) £	2005-06 Variance £	2006-07 Annual Budget £	Increase over LE %	Note
Approvals and Annual Monitoring	1,046,839	596,144	450,695	714,401	(19.84)	7
Chief Executive	287,464	316,705	(29,241)	270,230	14.67	
Communications	960,605	822,101	138,504	1,010,330	(22.90)	8
Committees & PLGs	102,488	97,258	5,230	258,742	(166.04)	9
Council	425,214	417,060	8,154	489,103	(17.27)	
Finance	383,622	703,658	(320,036)	426,598	39.37	
Fitness to Practise	2,283,030	2,326,354	(43,324)	2,587,411	(11.22)	10
Human Resources	329,653	229,236	100,417	397,957	(73.60)	11
Information Technology	1,424,456	1,127,780	296,676	1,051,849	6.73	12
Office Services	974,941	912,949	61,992	1,069,116	(17.11)	13
Policy & Standards	60,097	69,521	(9,424)	302,677	(335.38)	
President	55,950	39,302	16,648	49,500	(25.95)	
Registration (UK and International)	1,629,108	1,946,288	(317,180)	2,324,357	(19.43)	14
Secretariat	335,238	233,785	101,453	256,700	(9.80)	
Operating Expenses	10,298,705	9,838,139	460,566	11,208,971	(13.93)	
SURPLUS / (DEFICIT) (Excluding Unrealised Gains)	244,907	1,319,022	1,074,115	(303,120)	122.98	
Investment Income (Excluding Unrealised Gains)	130,961	146,584	15,623	174,357	(18.95)	
Investment - Unrealised Gains	0	229,572	229,572	0	0.00	
SURPLUS / (DEFICIT)	375,868	1,695,178	1,319,310	(128,763)	107.60	

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BUDGET 2006-7 VERSION 4

DETAILED SUMMARY

	2005-06 Annual Budget £	2005-06 Latest Estimate (LE) £	2005-06 Variance £	2006-07 Annual Budget £	Increase over LE %	Note
Income						
Registration fees	299,651	466,749	167,098	420,413	(9.93)	
Registration fees (part year)	0	0	0	0	0.00	
Readmission fees	85,319	281,040	195,721	172,341	(38.68)	4
Renewal fees	8,993,010	9,029,603	36,593	9,154,680	1.39	
International scrutiny fees	700,720	655,639	(45,081)	1,053,787	60.73	5
Grandparenting scrutiny fees & other	213,800	473,018	259,218	0	0.00	
	<u>10,292,500</u>	<u>10,906,049</u>	<u>613,549</u>	<u>10,801,221</u>	<u>(0.96)</u>	

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BUDGET 2006-7 VERSION 4

INVESTMENTS & OTHER INCOME

	2005-06 Annual Budget £	2005-06 Latest Estimate (LE) £	2005-06 Variance £	2006-07 Annual Budget £	Increase over LE %	Note
Income						
Bank interest - Business Reserve	20,000	25,831	5,831	20,000	(22.57)	6
Bank interest - Money Market	20,000	44,856	24,856	92,360	105.90	6
Bond interest	46,800	14,843	(31,957)	0	0.00	
Portfolio income	44,161	64,289	20,128	61,997	(3.56)	
P & L on disposal of investments (Realised)	0	(3,235)	(3,235)	0	0.00	
	130,961	146,584	15,623	174,357	18.95	
P & L on disposal of investments (Unrealised)	0	229,572	229,572	0	0.00	

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BUDGET 2006-7 VERSION 4

INVESTMENTS & OTHER INCOME

	2005-06 Annual Budget £	2005-06 Latest Estimate (LE) £	2005-06 Variance £	2006-07 Annual Budget £	Increase over LE %	Note
Income						
Bank interest - Business Reserve	20,000	25,831	5,831	20,000	(22.57)	6
Bank interest - Money Market	20,000	44,856	24,856	92,360	105.90	6
Bond interest	46,800	14,843	(31,957)	0	0.00	
Portfolio income	44,161	64,289	20,128	61,997	(3.56)	
P & L on disposal of investments (Realised)	0	(3,235)	(3,235)	0	0.00	
	130,961	146,584	15,623	174,357	18.95	
P & L on disposal of investments (Unrealised)	0	229,572	229,572	0	0.00	

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BUDGET 2006-7 VERSION 4

OVERHEAD TOTAL

	2005-06 Annual Budget £	2005-06 Latest Estimate (LE) £	2005-06 Variance £	2006-07 Annual Budget £	Increase over LE %	Note
Payroll						
Basic	2,300,807	2,150,186	150,621	2,702,918	(25.71)	15
Overtime	35,986	21,513	14,473	23,500	(9.24)	
National Insurance	257,045	245,798	11,247	434,823	(76.90)	16
Pension costs	259,360	193,762	65,598	271,217	(39.97)	
Staff recruitment	75,000	146,721	(71,721)	147,550	(0.57)	17
Temporary staff	152,630	335,251	(182,621)	425,447	(26.90)	
Other payroll expense	40,000	3,030	36,970	40,500	(1,236.63)	
	<u>3,120,828</u>	<u>3,096,261</u>	<u>24,567</u>	<u>4,045,955</u>	<u>(30.67)</u>	18
Staff travelling and subsistence						
Fares	88,470	59,924	28,546	80,360	(34.10)	19
Car expenses and car park	5,400	3,900	1,500	2,080	46.67	
Subsistence	69,970	58,553	11,417	72,260	(23.41)	19
Entertaining	3,050	1,502	1,548	2,250	(49.76)	
Conferences	15,500	7,611	7,889	14,200	(86.57)	
	<u>182,390</u>	<u>131,491</u>	<u>50,899</u>	<u>171,150</u>	<u>(30.16)</u>	
Council and committee expenses						
Allowances	205,656	192,716	12,940	268,970	(39.57)	20
Travelling and subsistence	169,286	149,410	19,876	169,275	(13.30)	
Conference expenses	10,000	2,218	7,782	4,000	(80.38)	
Training	11,200	14,500	(3,300)	70,890	(388.90)	21
	<u>396,142</u>	<u>358,844</u>	<u>37,298</u>	<u>513,135</u>	<u>(43.00)</u>	

	2005-06 Annual Budget £	2005-06 Latest Estimate (LE) £	2005-06 Variance £	2006-07 Annual Budget £	Increase over LE %	Note
Property services						
Business rates	48,530	41,652	6,878	60,530	(45.32)	22
Water	900	1,267	(367)	1,876	(48.07)	22
Electricity	12,600	15,815	(3,215)	20,475	(29.47)	22
Gas	3,000	4,852	(1,852)	4,860	(0.17)	22
Cleaning contractors	22,800	22,256	544	28,200	(26.71)	22
Cleaning materials	9,250	9,998	(748)	10,563	(5.65)	
Waste disposal	10,080	7,384	2,696	12,623	(70.96)	
Repairs and maintenance	12,900	35,389	(22,489)	39,000	(10.20)	
Maintenance contracts	5,724	4,565	1,159	7,829	(71.51)	22
Security	8,000	0	8,000	13,500	0.00	
Building Refurbishment	90,000	98,408	(8,408)	130,000	(32.10)	23
Property depreciation	24,000	42,779	(18,779)	44,856	(4.86)	
	247,784	284,365	(36,581)	374,312	(31.63)	22
Office services						
Printing and stationery	446,892	475,684	(28,792)	422,337	11.21	24
Photocopying	7,200	4,120	3,080	7,200	(74.77)	
Microfilming	432	420	12	432	(2.86)	
Postage	260,000	176,376	83,624	216,647	(22.83)	25
Telephone	34,908	29,826	5,082	34,908	(17.04)	
Mobile telephone & Data Links	5,580	9,540	(3,960)	9,236	3.19	
Fax	1,750	692	1,058	1,750	(152.74)	
Couriers	5,250	5,118	132	5,250	(2.58)	
Office equipment < £1000	30,250	21,418	8,832	30,250	(41.24)	
Office equipment rental	3,500	4,205	(705)	0	100.00	
Staff catering	14,450	9,484	4,966	7,350	22.50	
Other office services	11,295	23,518	(12,223)	19,722	16.14	
Room Hire	39,250	23,209	16,041	34,010	(46.54)	
Depreciation of office equipment	90,000	84,667	5,333	83,000	1.97	
	950,757	868,275	82,482	872,092	(0.44)	

	2005-06 Annual Budget £	2005-06 Latest Estimate (LE) £	2005-06 Variance £	2006-07 Annual Budget £	Increase over LE %	Note
Computer services						
Hardware < £1000	10,600	7,301	3,299	11,250	(54.09)	26
Hardware maintenance	8,300	7,318	982	4,600	37.14	
Software Systems	304,500	35,885	268,615	55,000	(53.27)	
Software licenses	59,060	46,910	12,150	59,660	(27.18)	27
Systems support	62,532	59,556	2,976	71,000	(19.22)	
Internet maintenance	23,280	93,676	(70,396)	97,738	(4.34)	
Computer media and sundries	15,000	9,216	5,784	15,000	(62.76)	
Disaster contingency plan	72,983	33,924	39,059	34,120	(0.58)	
Computer training	20,550	14,317	6,233	10,000	30.15	
Other computer services costs	8,000	7,066	934	19,000	(168.91)	
IT Security - Backup Offsite etc	0	1,206	(1,206)	0	100.00	
IT Hardware Disposals	0	0	0	0	0.00	
Hardware depreciation	576,000	548,455	27,545	394,854	28.01	28
	1,160,805	864,830	295,975	772,222	10.71	
Communications						
Advertising	225,000	225,000	0	228,000	(1.33)	29
Annual Reports (Design, Distribute)	19,000	19,000	0	16,200	14.74	
Brochures (Design, Distribute)	29,375	12,593	16,782	45,150	(258.54)	30
HPC Consultation Events	20,000	0	20,000	18,960	0.00	
Grandparenting Communications	5,000	523	4,477	0	100.00	
Listening Events	28,200	28,422	(222)	29,880	(5.13)	
Lobbying	68,750	39,079	29,671	0	100.00	
PR Advisors	38,500	45,522	(7,022)	0	100.00	
Market Research	58,750	69,266	(10,516)	23,500	66.07	
Registrant Comms & Internal	35,250	10,852	24,398	0	100.00	
Translations	7,050	336	6,714	3,150	(837.50)	
Stakeholder Communications	20,000	284	19,716	16,450	(5,692.25)	31
Standards of Proficiency (Design,Prod,Dist)	19,800	0	19,800	25,000	0.00	
Web Site	29,375	18,808	10,567	41,740	(121.93)	32
Partners Annual Conference	0	304	(304)	148,280	(48,676.32)	33
Marketing & Promotions	12,000	1,682	10,318	12,560	(646.55)	
Conference Attendance	10,000	14,171	(4,171)	13,000	8.26	
General Events (Internal & External)	28,000	28,000	0	40,725	(45.45)	34
Media Relations - Press Event Launch	0	1,146	(1,146)	56,400	(4,821.47)	35
Welsh Language Scheme	15,000	0	15,000	0	0.00	
	669,050	514,987	154,063	718,995	(39.61)	
Partners						
Partners Recruitment	84,200	19,347	64,853	26,700	(38.01)	36

	2005-06 Annual Budget £	2005-06 Latest Estimate (LE) £	2005-06 Variance £	2006-07 Annual Budget £	Increase over LE %	Note
Partners Training	188,875	91,901	96,974	138,008	(50.17)	37
Legal Assessors Allowance	148,694	88,322	60,372	0	100.00	38
Registration Assessors Allowances	523,900	589,862	(65,962)	573,810	2.72	
International Test of Competence	16,250	12,176	4,074	15,600	(28.12)	
Mediation - Panels	10,000	0	10,000	0	0.00	
Panels (Allowance & Travel)	350,875	399,704	(48,829)	463,940	(16.07)	
Screening - Panels (Allow & Travel)	0	0	0	0	0.00	39
Approvals	183,400	78,470	104,930	132,400	(68.73)	40
Annual Monitoring & Major / Minor Change	0	0	0	54,055	0.00	
	<u>1,506,194</u>	<u>1,279,782</u>	<u>226,412</u>	<u>1,404,513</u>	<u>(9.75)</u>	

Specific departmental expenses

Archive storage	10,800	17,174	(6,374)	14,400	16.15	
Auditors' fees	36,000	36,000	0	57,665	(60.18)	41
Bank charges & interest	60,000	78,297	(18,297)	65,000	16.98	42
Interest Payable	0	12,955	(12,955)	0	100.00	
Books and publications	2,000	0	2,000	1,000	0.00	
General insurance	34,602	36,434	(1,832)	39,600	(8.69)	
Legal insurance	42,000	42,000	0	46,200	(10.00)	
Health and safety	3,880	1,525	2,355	3,880	(154.39)	
Legal expenses	1,295,938	1,421,067	(125,129)	1,573,720	(10.74)	43
Other professional fees	239,800	548,801	(309,001)	210,310	61.68	44
Pension administration	5,000	30,000	(25,000)	12,672	57.76	45
Staff Handbook	2,000	0	2,000	0	0.00	
Personal Performance Consultancy	6,600	7,020	(420)	8,800	(25.36)	
Investors in People	10,000	171	9,829	0	100.00	
Good Citizen Scheme	1,000	0	1,000	0	0.00	
Quality ISO 2002	8,155	8,088	67	10,047	(24.22)	
Reward Data	1,000	6,000	(5,000)	7,000	(16.67)	
Subs to journals & professional bodies	19,380	8,109	11,271	11,360	(40.10)	
Professional Liaison Groups	110,900	55,300	55,600	42,140	23.80	46
Transcript Writer (Short Hand)	100,100	72,696	27,404	90,250	(24.15)	
Taxation advice	6,000	16,225	(10,225)	6,000	63.02	
Employee Training	69,600	41,440	28,160	136,553	(229.52)	47
	<u>2,064,755</u>	<u>2,439,303</u>	<u>(374,548)</u>	<u>2,336,597</u>	<u>4.21</u>	
OVERHEAD TOTAL	<u>10,298,705</u>	<u>9,838,139</u>	<u>460,567</u>	<u>11,208,971</u>	<u>(13.93)</u>	

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HEALTH PROFESSIONS COUNCIL

BALANCE SHEET
as at 31st March 2007

	£	£	March 2006	
	£	£	£	£
FIXED ASSETS				
Tangible fixed assets				
Land & buildings, at cost or valuation	3,743,204		2,743,279	
Depreciation	<u>(118,243)</u>		<u>(73,387)</u>	
Net book value		3,624,961		2,669,892
Computer Equipment, at cost	2,415,131		2,073,911	
Depreciation	<u>(1,990,632)</u>		<u>(1,595,776)</u>	
Net book value		424,499		478,135
Office furniture and equipment, at cost	370,007		359,644	
Depreciation	<u>(348,397)</u>		<u>(265,393)</u>	
Net book value		21,610		94,251
		<hr/>		<hr/>
Total tangible fixed assets		4,071,070		3,242,278
Investments		1,647,184		1,647,184
		<hr/>		<hr/>
TOTAL FIXED ASSETS		5,718,254		4,889,462
CURRENT ASSETS				
Other debtors and prepayments	138,753		125,507	
Bank balances and cash	<u>2,349,496</u>		<u>4,035,076</u>	
	2,488,249		4,160,583	
CURRENT LIABILITIES				
Amounts falling due within one year				
Creditors and accrued expenses	<u>1,064,853</u>		<u>1,339,000</u>	
		1,423,396		2,821,583
DEFERRED INCOME				
Registration fees in advance	117,878		117,878	
Retention fees in advance	<u>4,907,771</u>		<u>5,243,773</u>	
		(5,025,649)		(5,361,651)
		<hr/>		<hr/>
NET ASSETS		2,116,001		2,349,394
		<hr/> <hr/>		<hr/> <hr/>
Represented by:				
Capital Grant Receivable - LISA System		0		104,630
Accumulated Fund at 1 April 2005		2,244,764		549,586
Surplus/(Deficit) for the period		<u>(128,763)</u>		<u>1,695,178</u>
		2,116,001		2,349,394
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HEALTH PROFESSIONS COUNCIL

CAPITAL EXPENDITURE

BUDGET 2006-07: Version 3

Request From:

2006/07
Budget
£

Major Investment (£50K+ Individual Item)

Office Services Renovation work to 22-26 Stannery Street. Figures are based on a quantity surveyors estimations and the work will go out to tender early in the new financial year. £851,000 + VAT.

Sub Total To be Approved

999,925

Minor Investment (less than £50K individually)

Information Technology

15 New Laptops or PCs (New Employees) - £1085 (average)
2 Dell 3300 Projectors - £1500 each
3 HP LaserJet 4200 DTN Printer - £1025
2 Procurve Switches (Server Room) - £2.5k average
Server to Consolidate existing PC's being used as servers - £5000 + £2000 for a rack to house the new server.
Replacement UPS (battery)

16,275
3,000
3,075
5,000
7,000
3,000

Office Services

1 Xerox Work Centre BW Photocopier with 4 Hole Punch - £4565+ VAT
Separate air conditioning units in server room
Access Control System (to cover 3 buildings & increasing employee numbers)

5,363
5,000
9,504

To be Approved

57,217

Contingency

50,795

Sub Total (Equivalent of 1% of registration income)

108,012

LISA IT Projects

Sub Total See Enclosed Schedule

243,571

Total Capital Expenditure

1,351,508

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HEALTH PROFESSIONS COUNCIL

CAPITAL EXPENDITURE: LISA IT PROJECTS (Depreciated over 3 years)

BUDGET 2006-07: Version 3

	2006/07 Budget £	Estimated Completion Date
Information Technology		
On Line Applications - 50% Complete in 2005/06	12,000	May-06
On Line Renewals - 50% Complete in 2005/06	13,374	Sep-06
Authentication - 50% Complete in 2005/06	13,198	Sep-06
BACS-IP AUDDIS - 75% Complete in 2005/06	10,000	Jun-06
Supplementary Prescribing	20,000	Apr-06
Intermediate Lapsing	20,000	Jun-06
Add UK Nations	15,000	Aug-06
Generic Bulk Letter Handling	15,000	Sep-06
Registration Fee Calculator	25,000	Oct-06
Returned Mail Flag	15,000	Nov-06
Trust Employee Status Tracking	25,000	Dec-06
Online Register Improvements	15,000	Dec-06
Ethnicity & Diversity	20,000	Dec-06
CPD Audit Tracking	25,000	Not complete in 2006/07
Total LISA IT PROJECTS	<u>243,571</u>	

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HEALTH PROFESSIONS COUNCIL

BUDGET 2006-7 VERSION 4

CASH FLOW STATEMENT

From 1st April 2006 - 31st March 2007

	£
Deficit over expenditure	(303,120)
Depreciation of tangible fixed assets	522,716
Grant income released	(104,630)
Increase in debtors	(13,246)
Decrease in creditors	(274,147)
Decrease in deferred income	(336,002)
Net cash outflow from operating activities	(508,429)
Return on investments and servicing of finance	
Investment Income (Excluding realised gains)	174,357
Capital expenditure and financial investments	
Purchase of tangible fixed assets	(1,351,508)
Purchase of investments	0
Proceeds from sale of investments	0
Decrease in Cash	(1,685,580)
Cash at 31st March 2006	4,035,076
Cash at 31st March 2007	2,349,496
Cash Movement	(1,685,580)

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HPC Cash Flow: April 06 - March 07

	Mar-06	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	Total 12 Mths
Opening Balance 1st		4,035,076	4,350,394	3,866,942	3,540,360	3,789,150	3,216,479	4,032,296	3,679,674	2,883,970	2,078,224	2,077,709	1,640,471	
Receipts														
Fees		1,364,820	380,921	542,021	1,127,244	507,588	1,692,353	940,975	356,700	392,772	1,048,056	563,088	1,709,280	10,625,818
Total Receipts	0	1,364,820	380,921	542,021	1,127,244	507,588	1,692,353	940,975	356,700	392,772	1,048,056	563,088	1,709,280	10,625,818
Payments														
Operational														
Payments to Creditors		980,000	825,375	849,816	870,737	1,047,547	855,960	985,132	856,438	1,065,052	915,106	854,361	854,365	10,959,889
Exceptional														
Minor Capital Expenditure		20,216	9,712	8,787	7,717	2,712	8,075	8,466	8,466	8,466	8,465	8,465	8,465	108,012
LISA IT Enhancements		49,286	29,286	10,000	0	30,000	12,500	50,000	37,500	0	0	12,500	12,500	243,572
Building Renovation								250,000	250,000	125,000	125,000	125,000	124,925	999,925
Total Payment		1,049,502	864,373	868,603	878,454	1,080,259	876,535	1,293,598	1,152,404	1,198,518	1,048,571	1,000,326	1,000,255	12,311,398
Closing Balance		4,035,076	3,866,942	3,540,360	3,789,150	3,216,479	4,032,296	3,679,674	2,883,970	2,078,224	2,077,709	1,640,471	2,349,496	

Aged Creditors	980,000	825,375	849,816	870,737	1,047,547	855,960	985,132	856,438	1,065,052	915,106	854,361	854,365	854,366	854,366
Accruals	359,000	359,000	359,000	359,000	359,000	359,000	211,000	211,000	211,000	211,000	211,000	211,000	211,000	211,000
Budgeted Expenditure 06/07		825,375	849,816	870,737	1,047,547	855,960	837,132	856,438	1,065,052	915,106	854,361	854,365	854,366	854,366

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